



Information Technology Projects

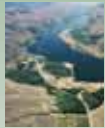
Department of Information Services

Department of Personnel

Department of Corrections

Department of Social and Health Services

GMAP – August 10, 2005



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Main Presentation

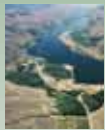
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- Goals and Definition of Success
- Outcomes of Information Technology (IT) Projects
- Current Outlook for Significant IT Projects
- Action Plans

“Drill Down” Information

Slides 19 – 44

- Detail for Level 2 Projects Underway
- Detail for 2001- 03 Biennium Projects
- Human Resource Management System
- Offender Management Network Information System
- Medicaid Management Information System



Performance Questions

1) How successful are the state's IT projects?

- Determine state's overall success rate
- Evaluate projects against **original** scope, schedule and budget

2) What is the current outlook for significant IT projects?

- Evaluate projects based on **current** scope, schedule and budget
- Take actions to address any variances from project plans

Logic Model – DIS Accountability

We provide oversight for state IT projects

of projects reported on by DIS consultants*

Output

...so that...

Actions are taken to keep projects on course

% of recommendations completed*

Intermediate Outcome

Policy Intent

...so that...

State IT projects are on time, within budget and work

% of successful implementations

Intermediate Outcome

...so that...

Citizen needs are met efficiently and effectively (POG Team 11)

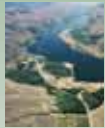
of priorities addressed*

Ultimate Outcome

Degree of DIS Influence

* Measures under development.

* 6 DIS Oversight staff currently oversee 28 projects with combined budgets of \$362 million



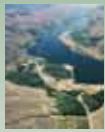
Success and Goal

DIS has joint responsibility with state agencies for project accountability and success

Success: On time, on budget, with full functionality
– as defined in the project contract

Goal: 100% success rate for implementations

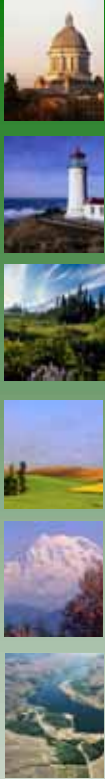
Success Rate in 2001-03 Biennium: 46% (see slide 6)



Measuring Overall Success

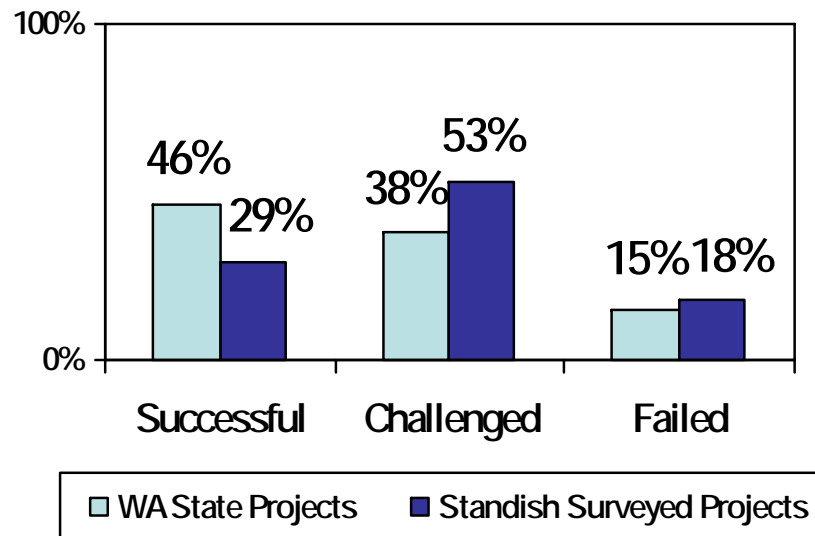
Using industry measures from IT research center,
The Standish Group

- The Standish Group Definitions:
 - Successful = completed on time, within budget, with functionality – **as initially specified**
 - Challenged = completed, but project is over schedule, over budget and/or lacks expected functionality
 - Failed = either cancelled, or built but not used



Success of Washington IT Projects

Comparison of Washington Projects to Standish Averages 2001- 03 Biennium

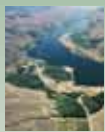


Includes Level 2 and Level 3 projects completed in the 2001- 03 Biennium (project levels defined on slide 20)

Sources: The Standish Group (2004), and agency information submitted to the Department of Information Services.

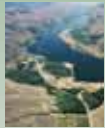
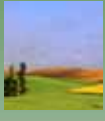
Comparison Detail

- Standish research:
 - Over 9,000 projects
 - Public and private
- State projects:
 - 11 projects completed
 - Six successful, five challenged, two failed (canceled)
 - Challenged projects were late, but within budget and with required functionality
- See slides 23-24 for state project list

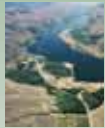


DIS Actions

- DIS Director and Cabinet members jointly accountable for success of IT projects
- Rebuild DIS oversight processes
 - Improve support to Information Services Board
 - Complete consistent project assessments
 - Ensure that sound project management practices are followed
 - Set clear expectations for staff and contractors
 - Move DIS staff responsible for oversight from WMS to exempt positions, and hire new staff and oversight Deputy Director
- Strengthen relationships with agencies
- Promote enterprise policies and initiatives



Current Information Technology Projects



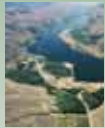
Three Largest Projects

Human Resource Management System

Offender Management Network Information System

Medicaid Management Information System

- Total of the three largest project budgets: \$205 M
- 2005-07 Biennium Operating Budgets for the three agencies with largest projects: \$18.7 B
- Total project budgets as % of three agencies' Operating Budgets 1.1%



Project Outlook Indicators

Projects are rated against their **current** – or most recently approved – scope, schedule and budget.*

Red

High risk. Areas colored red require immediate action to mitigate the risk.

Yellow

Elevated risk. Areas colored yellow require assessment and action to address the risk.

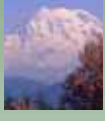
Green

Low risk. Areas colored green require no action beyond project management tools already in place.

Gray

Project or phase not started.

*Ratings based on analyses by DIS oversight staff, agency staff, and Quality Assurance consultants



Human Resource Management System

Current Status Compared to Original Project Plan

Scope: Original plan assumed three releases
Current plan consists of Release 1 and limited Release 2

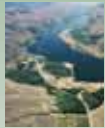
Schedule: Six-month extension for Group 1 implementation

Budget:

Original budget	=	\$48.1 million
April revisions	=	<u>\$10.9 million</u>
Subtotal	=	\$59.0 million
Pay raise changes	=	\$7.9 million (Legislative approval needed)
Total	=	\$67 million

Current Project Outlook (See slide 26 for drill-down information)

Project Outlook		
Scope	Schedule	Budget
Yellow	Red	Yellow



Actions

ISSUE	ACTION
Pay Raise Deferment Funding	<ul style="list-style-type: none">• Requesting additional funding
Conversion Data Integrity	<ul style="list-style-type: none">• Additional vendor quality review• Confirmation of agency data validation plan
Agency Readiness	<ul style="list-style-type: none">• Agencies completing work plans and interface testing• Agencies reviewing hardware specs
Agency Shadow Systems	<ul style="list-style-type: none">• Minimum three months of testing• Testing over 50 interfaces
DOP Operational Readiness	<ul style="list-style-type: none">• Increasing vendor support
Integration with Other Systems	<ul style="list-style-type: none">• Increasing vendor participation• Ensuring adequate testing time



Offender Mgmt Network Information System

Current Status Compared to Original Project Plan

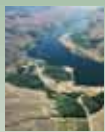
Scope: Original scope for Phase II restructured in 2004
Reduced functionality, integration, and implementation

Schedule: Late delivery of system for testing
Completion of user acceptance testing moved from June to July

Budget: Original budget for Phase II: \$14.9M
Contract Amendment: \$4.2M
Total Phase II: \$19.1M

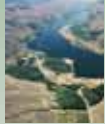
Current Project Outlook (See slide 33 for drill-down information)

Project Outlook		
Scope	Schedule	Budget
Green	Red	Green



Actions

ISSUE	ACTION
Delivery of required functionality	<ul style="list-style-type: none">• Closer collaboration with IBM• Joint DOC and IBM testing of system• Re-evaluating original performance requirements
Turnover in project staff	<ul style="list-style-type: none">• Recruiting for new Chief Information Officer, project director and project manager



Medicaid Management Information System

Current Status Compared to Original Project Plan

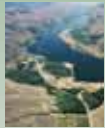
Scope: Scope remains unchanged

Schedule: Some items 2-3 weeks behind schedule

Budget: Total project budget: \$110.5M
Within budget

Current Project Outlook (See slide 40 for drill-down information)

Project Outlook		
Scope	Schedule	Budget
Green	Red	Green



Actions

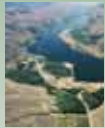
ISSUE	ACTION
Inadequate Vendor Resources	<ul style="list-style-type: none">• Vendor hired new project manager• Vendor hired additional staff
Inadequate Deliverables	<ul style="list-style-type: none">• State/vendor jointly determine content• Vendor implemented deliverable quality review process• Revamp DSHS deliverable review process

Status of Other Level 3 Projects

Agency	Level 3 Project	Project Description	Budget		Project Outlook		
			Original	Current (\$M)	Scope	Sched	Budget
University of Washington	On-line Record of Clinical Activity	Electronic integrated medical record system	10.3	39.0	Yellow	Yellow	Yellow
Community and Technical Colleges	Center for Information Services Re-hosting Project	Move applications from old, unsupported platforms	12.4	12.4	Green	Yellow	Green
Department of Licensing	Biometrics	Biometric identity verification for driver licenses	0.4	0.4	Green	Yellow	Red
Liquor Control Board	Merchandising Business System	Implementation of point-of-sale system for retail store, plus financial and purchasing system	6.5	7.6	Green	Green	Yellow
Office of the Insurance Commissioner	Hewlett Packard 3000 Replacement	Move applications from old, unsupported platforms	2.9	2.9	Yellow	Yellow	Yellow
Department of Social and Health Services	Statewide Automated Child Welfare Information System	Replace existing, aging information system	30.5	30.5	Gray	Gray	Gray
Lottery	On-Line Gaming Procurement	Provide and operate new on-line gaming system	0	10.6	Gray	Gray	Gray

Level 3: Projects rated high for both severity and risk. See slide 20 for detail.

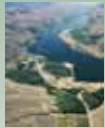
Note: Scope for CIS Re-hosting was reported to Information Services Board as green in July. That indication did not reflect the scope's status in relation to the current plan.



Status of Level 2 Projects

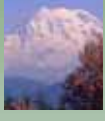
Total Current Level 2 Projects Underway		18
Level 2 projects ALL GREEN	Green	15 (83%)
Level 2 Projects with 1 YELLOW	Yellow	3 (17%)
Level 2 Projects with RED	Red	0 (0%)

Level 2: Projects with at least medium severity or risk. See slides 20-22 for detail.



“Drill Down” Information

Risk-based Assessment of Projects	20
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Human Resource Management System	26
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Risk-based Assessment of Projects

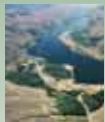
DIS staff categorize IT projects according to severity and risk:

- **Level 3:** Projects rated high for both severity and risk.
- **Level 2:** Projects with at least medium severity or risk ratings.
- **Level 1:** Projects rated low for severity, or rated medium severity but low risk.

Detail for Level 2 Projects Underway (1 of 2)

Agency	Level 2 Project	Project Description	Budget	Project Outlook		
			Current (\$M)	Scope	Sched	Budget
Department of Fish and Wildlife	Washington Interactive Licensing Database	Re-bid of licensing sales system	0.6	Green	Green	Green
Department of Natural Resources	Revenue, Timber, Asset System	Replace mainframe with new comprehensive revenue, timber and asset management system	3.2	Green	Yellow	Green
Department of Corrections	Inmate Telephone System	Implement inmate telephone system for state correctional institutions and work release facilities	5.0	Green	Yellow	Green
Department of Health	Integrated Licensing and Regulatory System	Replace legacy licensing systems used to track, manage and license health care professionals	3.7	Green	Green	Green
Department of Licensing	Unisys Migration	Move vehicle and driver applications from mainframe to new server environment	6.4	Green	Green	Green
Department of Licensing	Motor Carrier Safety Improvement Act	Systems modifications and business changes to implement Motor Carrier Safety Improvement Act	0.7	Green	Green	Green
Department of Social and Health Services	Client Activity Tracking System: Integrated Treatment Model Automation	Replace case management system for juvenile offenders	1.5	Green	Green	Yellow
Department of Social and Health Services	Social Service Payment System: Union Dues	Support legislative mandates to deduct union dues from provider payments and collect L&I insurance from providers	1.2	Green	Green	Green
Department of Social and Health Services	Assessment Project for Division of Developmental Disabilities	Develop assessment process to apply consistently to all developmentally disabled clients	4.6	Green	Green	Green

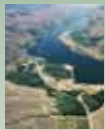
Agency	Level 2 Project	Project Description	Budget	Project Outlook		
			Current (\$M)	Scope	Sched	Budget
Employment Security Department	Interactive Voice Response Interface	Expand use of interactive voice response with unemployment insurance telecenters	1.3	Green	Green	Green
Home Care Quality Authority	Referral Registry System	Implement statewide, Internet-based referral registry to assist customers locate providers	2.4	Green	Green	Green
Department of Labor and Industries	Online Reporting & Customer Access Project 2	Allow customers online access to workers' compensation information, and give them the ability to do electronic business with L&I	13.0	Green	Green	Green
Department of Labor and Industries	Critical Safety and Health Data	Phase II of revision to workplace safety data system	1.7	Green	Green	Green
Department of Labor and Industries	Self Insurance Electronic Reporting	Joint development by L&I and the Washington Self-Insurers Association for data collection and reporting	1.4	Green	Green	Green
Office of Financial Management	The Allotment System	Combine five systems to support all appropriation-allotment business processes	3.9	Green	Green	Green
Public Disclosure Commission	On-line Reporting of Campaign Activity	Electronic tracking and reporting of campaign finances by political campaigns	0.1	Green	Green	Green
Public Disclosure Commission	IT Security Tools, Training and Configuration	Implement intrusion detection and prevention tools	0.1	Green	Green	Green
Washington State Patrol	National Crime Information Center 2000 Compliance Project	Upgrade two systems as required by the FBI to interface to National Crime Information Center	2.8	Green	Green	Green



2001- 03 Biennium Completed Projects

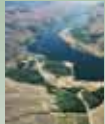
Agency	Project	Level 2/3	On Time	On Budget	Fully Functional
Department of Retirement Systems	Electronic Document Image Management System	Level 3	No	Yes	Yes
Department of Transportation	Commercial Vehicle Information Systems and Networks	Level 3	Yes	Yes	Yes
Department of Health	SENTRY (drinking water safety)	Level 3	No	Yes	Yes
Department of Social and Health Services	Document Management System	Level 2	No	Yes Under budget	Yes
Department of Social and Health Services	Imaging Project Acquisition	Level 2	Yes Delivered early	Yes Under budget	Yes
Office of the State Treasurer	State Warrant Scanning Replacement	Level 2	Yes	Yes Under budget	Yes
Office of the State Treasurer	Treasury Management System	Level 2	No	Yes	Yes Exceeded Requirements
Washington State Patrol	Computer Aided Dispatch	Level 2	Yes	Yes Under budget	Yes
Department of Transportation	Uniform Environmental Project Reporting System	Level 2	Yes	Yes	Yes
Department of Health	Comprehensive Hospital Abstract Reporting System	Level 2	No	Yes	Yes
Employment Security Department	Service, Knowledge, Information and Exchange	Level 2	Yes*	Yes*	Yes*

*Original project expanded



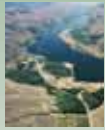
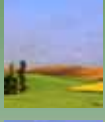
2001- 03 Biennium Canceled Projects

Agency	Project	Reason for cancellation
General Administration	The Ultimate Purchasing System	<ul style="list-style-type: none">■ Additional staff needed to deploy the system■ Did not provide expected savings in process time■ Harder to use than expected
Department of Transportation	Automated Time Collection	<ul style="list-style-type: none">■ Vendor unable to meet project schedule and specified business requirements



Agency Lessons Learned

Strengthen Governance	<ul style="list-style-type: none">■ Project leadership and executive sponsorship■ Quality Assurance reporting to executive management■ Experienced project management
Increase Preparation	<ul style="list-style-type: none">■ Comprehensive business requirements■ Early business partner and stakeholder involvement
Strengthen Contract	<ul style="list-style-type: none">■ Phased approach■ Incremental milestone, delivery, payment dates■ Proven solutions in similar environment■ Information technology contract expertise

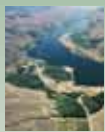


Human Resource Management System Department of Personnel

Eva Santos, DOP Director

Gary Robinson, DIS Director

For August 10, 2005 GMAP Presentation



Purpose, Scope and Approach

Purpose and scope:

- Enable and support effective human resource management, labor relations and competitive contracting
- New HR and Payroll system, integration with Financial Mgmt Systems, mgmt reporting tools
- Decommissioning components of legacy system

Approach:

- Joint effort between state and vendor (Accenture) to install and tailor SAP software
- Initial plan: 3 releases
- Current plan: 2 releases



Current Project Outlook

Scope - Yellow

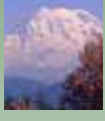
- Release 1 scope finalized
- Limiting scope for Release 2

Schedule - Red

- Schedule extended due to pay raise deferment
- Six-month delay for Group 1 implementation

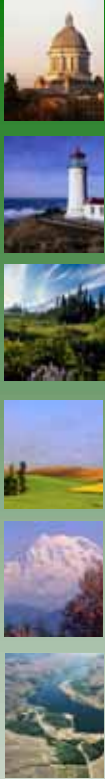
Budget - Yellow

- Funding for pay raise deferment needs approval by the Legislature
- No further budget changes anticipated for Release 1



Scope

Capabilities Being Delivered	Where Scope Was Scaled Back
Release 1 <ul style="list-style-type: none">• Modern HR and Payroll System• Integration of HR/Payroll and Financial Management Systems• Business warehouse reporting tools to support management reporting	Release 2 – components deferred <ul style="list-style-type: none">• Training and events mgmt• Compensation Planning• Automated workflow
Release 2 <ul style="list-style-type: none">• Qualifications-based Recruiting System• Performance appraisal tools• Statewide Grievance Management System	Release 3 – components deferred <ul style="list-style-type: none">• Evaluated time management• Manager and employee self service



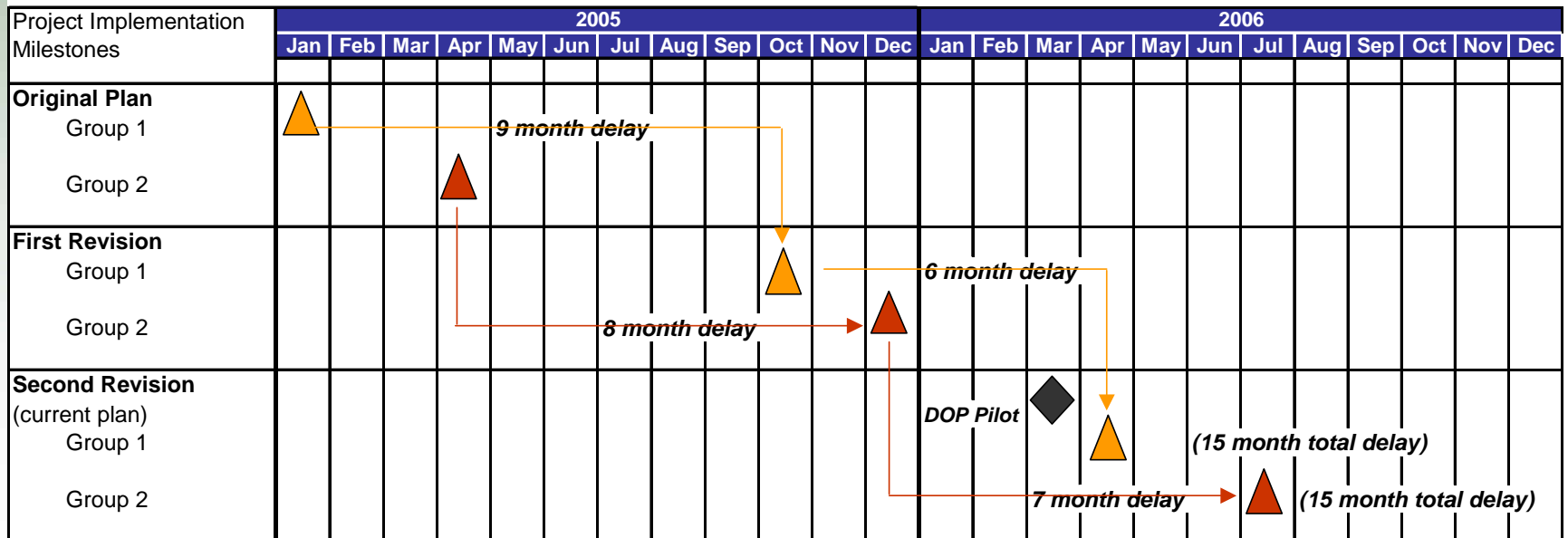
Schedule

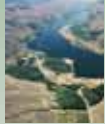
Release 1:

- Planning, design and almost all development complete
- Data conversion and testing underway

Implementation will occur in two groups:

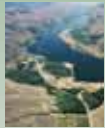
- Group 1: Smaller, but more complex agencies; Go Live date 4/06
- Group 2: Remaining agencies; Go Live date 7/06





Budget

Original Baseline	\$48.1M
April Revision	\$10.9M
Pay Raise Deferment <ul style="list-style-type: none">■ Cost of changing SAP■ Cost of retesting and changing conversion■ Cost of changing Pay1■ Cost of project team for an extra 4 months	\$ 7.9M <ul style="list-style-type: none">0.5M1.0M0.5M5.9M
Total	\$ 67M
Expenditures through May	\$ 31.7M



Olympian Article

Excerpt from May 4, 2005 article

Pay raise strategy may backfire
Cost to reprogram state computers could erase savings

ADAM WILSON, THE OLYMPIAN

Section: National

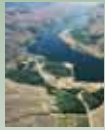
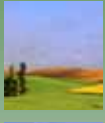
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Delaying pay raises for state employees without union contracts might cost the state just as much money as lawmakers expected to save by putting off the raises.

Changing the 30-year-old computer system that processes state paychecks to set up two pay scales likely will cost between \$8 million and \$10 million, said Eva Santos, director of the Department of Personnel.

Legislators said they planned to save \$9.6 million by delaying raises for nonunion workers for two months, while they funded union contracts that call for a 3.2 percent cost-of-living increase beginning July. 1.

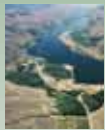
"I don't like the policy. I told the legislators that I didn't like the policy," Gov. Christine Gregoire said...



Offender Management Network Information System Department of Corrections

Tracy Guerin & Eldon Vail, DOC Deputy Directors
Gary Robinson, DIS Director

For August 10, 2005 GMAP Presentation



Purpose, Scope and Approach

Purpose and scope:

- Replace systems and applications to manage convicted offenders in institutions and community
- Will retire legacy system

Approach:

- Vendor (IBM) will design, build and implement system
- Implement in three phases:
 - Phase I: Develop Offender Risk Assessment Applications and the Offender Accountability Plan
 - Phase II: Build four main applications
 - Phase III: Complete functionality and deploy



Current Project Outlook

Scope - Green*

- Project meeting scope as restructured in December 2004, when production implementation and integration with the legacy system were removed

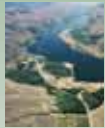
Schedule - Red

- Delays due to late delivery of system
- Completed user acceptance testing

Budget - Green

- Within amended Phase II budget
- 2005-07 budget includes \$11.25 million in the first fiscal year for Phase III

* Note: Scope for OMNI was reported to Information Services Board as red in July. That indication did not reflect the scope's status in relation to the current plan.














Scope

- Functionality delivered by IBM on May 13
- Over 1,300 component test cases completed on the delivered system
- Defects have been identified
 - Most critical defects are being addressed
- User Acceptance Testing completed July 20

Schedule

<u>Major Milestone</u>	<u>Target Date</u>	<u>Actual Date</u>
Code Loaded to DOC Testing Environment	Apr 30	May 13
User Acceptance Test - Component Testing	June 13	June 30
Final Code and Design Products Delivery	June 28	June 30
User Acceptance Test - Framework Testing	June 13	July 20
Final Code and Design Products Update Delivery	June 28	
Project Acceptance	July 31	

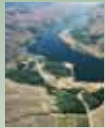
Revised Phase II Schedule	2004		2005											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Phase II - Drop 1														
Code Delivered (NT Platform)														
Code Delivered (Mainframe)														
Phase II - Drop 2														
Code Delivered (NT Platform)														
Code Delivered (Mainframe)														
Initial Component Testing														
User Acceptance Testing														
Final Code/Documentation														

Projected Completion Date



Budget

Phase I Budget	\$8.3M
IBM contract costs	\$4.8M
Direct costs (e.g., salaries, QA contract)	\$2.8M
Change requests	\$0.7M
<hr/>	
Original Phase II Budget 2005 – 07 Biennium	\$14.9M
IBM contract	\$9.0M
Direct costs	\$5.4M
Change requests	\$0.5M
Contract Amendments	<u>\$4.2M</u>
Total for Phase II	\$19.1M
Phase II Expenditures through May	<u>\$15.9M</u>
Remaining Contract Balance	\$2.1 M
 Total Project Budget	 \$27.4 M



Seattle Post-Intelligencer Article

Excerpt from Monday, July 18, 2005

New system for parolee oversight 'a disaster' **Six years in the making, the project is \$6 million over budget and years late**

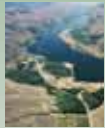
By PHUONG CAT LE

SEATTLE POST-INTELLIGENCER REPORTER

Six years ago, the state Department of Corrections launched a multimillion-dollar project to revamp its aging computer system so authorities could keep better track of offenders in and out of prison.

Despite a two-year delay and expenditures of more than \$6 million over the initial budget, the second and crucial phase of the new computer system still isn't operating.

"It's a disaster. It's been a disaster for a long time," said state Rep. Ross Hunter, D-Medina, a former Microsoft general manager and member of the Information Services Board, which oversees state technology projects...

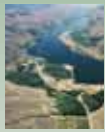


Medicaid Management Information System

Department of Social and Health Services

Doug Porter, DSHS Assistant Secretary
Gary Robinson, DIS Director

For August 10, 2005 GMAP Presentation



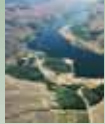
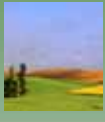
Purpose, Scope and Approach

Purpose and scope:

- New system consolidates most medical and social service payments across DSHS and provides new support functions
- Replaces existing system installed in 1983

Approach:

- Vendor (CNSI) will integrate necessary components and operate system for DSHS
- Replacement done in two phases:
 - Replace existing system, including most Medicaid payments
 - Migrate remaining Medicaid and selected other payments to new system



Current Project Outlook

Scope - Green

- Scope remains unchanged

Schedule - Red

- Several requirements documents are late
- Some deliverables rejected by DSHS
- Vendor experiencing staffing issues
- DSHS evaluating effect of missed deadlines

Budget - Green

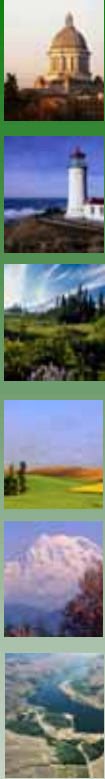
- Within budget



Phase 1:

- Planning/Requirements verification nearly complete
- Moving into design phase

[illegible]



Budget

Budget to Date in Millions (through May 31, 2005)

Category	Budget	Actual	Variance
State Costs	\$6.6	\$4.7	\$1.9
Vendor Costs	\$5.9	\$4.5	\$1.4
Total:	\$12.5	\$9.2	\$3.3

Total project budget: \$110.5 M

Positive variance through May 31, 2005 due to:

- Delay in deliverable payments into the next month
- Under-spending of state subject matter experts